

**GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA**

STARRED QUESTION NO:57

ANSWERED ON:03.03.2005

RATES OF NATURAL GAS

Chinta Mohan Dr. ;Singh Shri Rajiv Ranjan (Lalan)

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

- (a) whether different rates for natural gas are fixed for its use in the power, fertiliser and steel sectors in the country;
- (b) if so, the details of the rates for natural gas fixed in March 2001, March 2004 and January 2005 for its use in these sectors;
- (c) the criteria followed by the Government while fixing different rates for natural gas for these sectors; and
- (d) the estimated average generation cost of natural gas in the year 2004?

Answer

MINISTER OF PETROLEUM & NATURAL GAS & PANCHAYATI RAJ (SHRI MANI SHANKAR AIYAR)

(a) to (d): A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (d) OF THE LOK SABHA STARRED QUESTION NO. 57 BY SHRI RAJIV RANJAN SINGH "LALAN" AND DR. CHINTA MOHAN, MPs TO BE ANSWERED ON 3RD MARCH,2005 REGARDING RATES OF NATURAL GAS.

(a) Government administers the price of natural gas produced by Oil & Natural Gas Corporation Limited (ONGC) and Oil India Limited (OIL) from their existing fields (excluding Joint Ventures). This price is uniformly applicable to all the sectors.

(b) The price of gas under Administered Price Mechanism (APM) since March 2001 till date is Rs.2850/- per thousand Standard Cubic Meter (MSCM) for general consumers and Rs.1700/ per thousand MSCM for consumers in the North – East. Some gas produced by Private / Joint Venture companies and Re-gasified Liquefied Natural Gas (RLNG) is being sold at market price ranging from Rs.5500 to Rs.7300/MSCM.

(c) Does not arise.

(d) During the year 2003-04, the average cost of production of gas of ONGC (the main producer of APM gas) from the existing operating fields (excluding Joint Venture) is about Rs.3427/MSCM